

Corporate Disclosure Practices in India: A Study of Large- and Mid-Cap Companies

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Abstract

This paper examines empirically the non-mandatory disclosure practices in large- and mid-cap companies for the year 1999-2000 to 2004-2005. An index of disclosure of 72 reporting items have been constructed to make a comparative analysis in the voluntary disclosure practices in large-(nifty) and mid-cap companies, In this regard, the compliance towards the voluntary disclosure by the sample companies has been analyzed. The results of the study show that there are large differences in the voluntary disclosure practices being followed by large- and mid-cap companies in India. Variations have also been seen in the item-wise disclosure. Within one group of companies disclosure results for different items differed significantly. On the basis of the study, it can be concluded that the voluntary disclosure practices of the selected large- and mid-cap companies differed to a large extent. It has been suggested that the companies should give more emphasis on disclosing voluntary items because voluntary items disclosure opens new insights of the company which is of immense importance for the users of such reports.

Keywords: Disclosure, Mandatory, Variations, Reports.

Introduction

Corporate disclosure means the process of disclosing company related information useful for various interested parties which is primarily of financial in nature. In the company form of organizations, disclosure assumes great importance. There may be a number of objectives to be achieved by corporate entities. But the accomplishment of financial objectives is important among all. Funds invested by owners, managed professionally by professional managers, give rise to the stewardship responsibility on part of managers to disclose company related information. It is obligatory on part of the company to give an account of the affairs of the enterprise to various interested parties. Since capital owners and invertors, like the business enterprises, also attempt to maximize their own economic returns, they require information in order to make sound economic decisions. The quality of information available to them would, in turn, lead to a more efficient allocation of resources in a country's economy. In the absence of meaningful information, capital owners, investors, creditors and others are likely to make their decisions on

tips, hunches, guess-work and unreliable news leading to an inefficient allocation of resources in the economy.¹ The information is required to be disclosed by authoritative pronouncement, regulatory rule, custom or because management considers it useful to those outside the enterprise and disclose it voluntarily. This gave rise to the concept of corporate disclosure. Hence, corporate disclosure refers to the formal communication by the company of the state and its affairs to the various interested parties.

Corporate disclosure may take any form. Prospectus, interim reports, press releases, statutory reports, information provided at various meetings, newspapers' and magazines' stories, analysis provided by analysts/authorities and the statutory annual reports, known as annual financial reports are the commonest ways to communicate company related information to the various interested parties. The published corporate annual report is undoubtedly the most widely distributed comprehensive source of corporate financial data.²

Review of Literature

Cerf (1961) conducted a pioneer study on measuring corporate disclosure through index of disclosure. He analyzed the annual reports of 527 companies by applying the index of disclosure of 31 items. He examined the company attributes and extent of disclosure. On the basis of his study, he concluded that there existed a positive relationship between disclosure scores and various company attribute such as assets size, number of stockholders and rate of return.

Singhvi & Desai (1971) conducted their study on the topic "An Empirical Analysis of the Quality of Corporate Financial Disclosure." They studied the company attributes and extent of disclosure. Their study was based on the annual reports of 100 listed and 55 unlisted companies for the year 1965-66. They concluded that company characteristics and extent of disclosure were positively related.

Gyan Chandra (1974) concluded a unique study to examine whether the public accountants (who attest the corporate reports) and the security analysts (who use corporate reports) have any relation about the value of information disclosed in the annual financial reports. A questionnaire containing items of information, which might form the part of an annual report, was developed. On the basis of the result of questionnaire; he concluded that there was no consensus between the accountants and the security analysts regarding the value of information disclosed in an annual report.

Firth (1979) made an attempt to measure the impact of various company attributes such as size, stock market and auditor on voluntary disclosure in corporate annual reports. An index of 48 items of information was applied on 180 companies, 40 companies with no stock exchange listing, 40 stock exchange listed companies being paired with the unlisted companies and 100 stock listed companies. On the basis of his study, he concluded that there exist a relationship between the size of a company and stock market listing on corporate financial disclosure but there was no impact of auditor on corporate financial disclosure.

Subhash Chander (1992) made a comparative analysis of the disclosure practices followed by the big companies in public and private sectors in India. 50 companies

each from both the public and private sectors, ranked according to their capital employed, on the basis of the survey conducted by the Research Bureau of *The Economic Times*, were selected for the period of 1980-81 to 1984-85. He concluded that item-wise disclosure as well as 'company-wise disclosure' is significantly better in case of the public sector giants as compared to the private sector giants. A large number of items had very low disclosure score in both the public and the private sectors. The items providing 'futuristic information' to the users had not been disclosed by majority of companies. And lastly, higher improvement was observed in the disclosure of the public sector companies.

V. K. Vassal (1997) in his study under the topic "Interim Financial Reporting-An Empirical Analysis" analyzed interim financial reports of 226 companies and 33 responses from security analysts, to find the degree of compliance by Indian companies. He concluded that most of the Indian companies prepare interim reports in time but most of them do not release these within the prescribed time.

Dharminder Singh Ubha (1999) conducted a study to find the differences between the general corporate reporting practices and the investors' requirements. For this purpose, he selected 50 big Indian companies. The period of study was from 1989-90 to 1993-94. On the basis of his study, he concluded that there were wide variations in the investors' requirements and the corporate disclosure. It was also found that corporate disclosure practices differ from investors' needs in both statutory and non-statutory information disclosure.

Gurdip Singh Batra (2004) made an attempt to study the trade-offs between the performance of the Indian corporate securities market and financial reporting by the Indian corporate firms. He analyzed the annual financial reports of 7 big Indian companies, operating in both public and private sectors. It was found that instead of disclosing statutory information; only 3 companies in the private disclose information as per US GAAP and only one company had a programme of social audit. He concluded that there exists a relationship between the performance of Indian stock market and financial reporting. The investment in the capital market depends upon the quality of information regarding risk, return, liquidity, safety and marketability, which in turn is provided by the disclosure of information in various forms like annual financial reports and prospectuses etc. he suggested that non-statutory information should play an important role, guidelines issued by various authorities should be followed by companies and timeliness, reliability and transparency has to be ensured so that various users of it trust on them and make rational decisions.

Research Methodology

Objective of the Study:

The present study is being conducted for the purpose of the following objective: 'to make a comparative analysis in the voluntary disclosure practices in large – and mid-cap companies'.

Period of the Study:

The present study covers the period of six years from 1999-2000 to 2004-05.

Nature of the Data:

The nature of the data is secondary. For the purpose of present study, the annual reports of the selected companies have been collected by exploring various sources including companies' websites, personal visits to the companies, stock exchanges, broker offices, investors, research institutes, libraries etc.

Statistical Tools Used:

To achieve the objective of the present study various statistical tools have been applied, which includes the followings:

- Percentage Change,
- Simple Average, (mean)
- Standard Deviation,
- Range, (Maximum and Minimum)
- Coefficient of Variation, and
- t-test.

Selection of the Companies:

The sample of the companies has been selected from the National Stock Exchange of India's two indices. For the purpose of large-cap companies, sample has been selected out of the 'S&P CNX Nifty Index' and for mid-cap companies 'S&P CNX Mid-Cap Index' was used.

Scope of the Study:

The present study covers only the voluntary disclosure practices of the selected companies because of the reason that majority of the companies comply with the mandatory requirements. Large variations are found in the voluntary disclosure.

Findings of the Study

The present study has been conducted to make a comparative analysis in the voluntary disclosure practices in large- (nifty) and mid-cap companies, which is the objective of the study. In this regard, the compliance towards the voluntary disclosure by the sample companies has been analyzed. An index of voluntary items, consisting of 72 items, was constituted. The compliance towards these selected voluntary items has been checked.

The voluntary items disclosure practices of the sample companies have been divided in four parts. It consists of item-wise, area-wise, variation (percentage wise) and company-wise disclosure.

1. Item-wise Disclosure – In this part of the analysis, item-wise disclosure has been analyzed for both the groups of companies. Disclosure towards each item included in the index, consisting of 72 items, has been analyzed.

Table 1A – Item-wise Disclosure of Large Companies

Total Disclosure Voluntary Information Disclosure (Items)	Nifty						% Change	MEAN	S.D	C. V.
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05				
I. Information on Accounting and Finance:										
1.Previous Year Figures	93.33	100	93.33	93.33	93.33	96.67	3.58	95	2.8	2.93
2. Ratios	53.33	60	56.67	56.67	60	56.67	6.26	57.22	2.5	4.38
3. Human Resource Accounting	10	13.33	10	13.33	13.33	13.33	33.3	12.22	1.7	14.07
4. Brand Valuation	10	13.33	13.33	16.67	20	20	100	15.56	4	25.96
5. Balance Sheet (Including Intangible Assets)	10	10	10	10	10	10	0	10	0	0
6. Inflation Adjusted Financial Statements	0	3.33	3.33	3.33	3.33	3.33	3.33	2.78	1.4	48.92
7. Economic Value Added Statements (EVA)	16.67	20	20	20	23.33	23.33	39.95	20.56	2.5	12.20
8. Value Reporting	30	36.67	40	40	40	40	33.33	37.78	4	10.69
9. Intangible Assets Score Sheet	3.33	3.33	3.33	3.33	3.33	3.33	0	3.33	0	0
10. Charts and Graphs	90	100	96.67	100	96.67	96.67	7.41	96.67	3.7	3.77
11.Social Accounting	20	16.67	20	26.67	30	33.33	66.65	24.45	6.6	26.78
12. Social Audit	0	0	0	0	0	0	0	0	0	0
13. Environment Audit	0	0	0	0	0	0	0	0	0	0
14. Company Highlights	86.67	86.67	93.33	96.67	96.67	96.67	11.54	92.78	4.9	5.29
15. Statement of Reconciliation	20	20	20	20	20	23.33	16.65	20.56	1.4	6.61
16. Forecasting	0	6.67	3.33	13.33	10	10	10	7.22	4.9	68.00
17. Profit Forecasts	0	0	0	0	0	0	0	0	0	0
18. Financial Statements As Per US/ Other Countries' GAAP	13.33	16.67	26.67	23.33	16.67	30	125.06	21.11	6.6	31.02

Table-1A (Contd...)

<i>Total Disclosure</i>		<i>Nifty</i>								
<i>Voluntary Information Disclosure (Items)</i>	<i>1999-00</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>% Change</i>	<i>MEAN</i>	<i>S.D</i>	<i>C. V.</i>
19. Current Resale Value of Company's Assets	0	0	0	0	0	0	0	0	0	0
20. Risk Management	20	46.67	56.67	66.67	73.33	76.67	283.35	56.67	21	37.19
II. Information on Human Resources, Marketing and Production:										
21. Management Structure	20	30	46.67	46.67	46.67	46.67	133.35	39.45	12	29.48
22. Board of Directors	100	100	100	100	100	100	0	100	0	0
23. Employees' Relations	53.33	70	73.33	76.67	76.67	76.67	43.77	71.11	9.1	12.81
24. Description of Main Products Produced	33.33	43.33	56.67	56.67	63.33	70	110.02	53.89	13	24.86
25. Details of Customers	3.33	6.67	13.33	6.67	10	10	200.3	8.33	3.5	42.01
26. New Product /Service/Project	33.33	40	50	43.33	43.33	53.33	60.01	43.89	7.1	16.22
27. Plants/Branches /Factory Locations	53.33	53.33	60	63.33	60	63.33	18.75	58.89	4.6	7.72
28. Research and Development Information	60	70	60	63.33	66.67	70	16.67	65	4.6	7.07
III. Corporate Governance Matters Appendix I A (Clause 49):										
29. Annual Operating Plan	6.67	3.33	10	16.67	26.67	33.33	399.7	16.11	12	73.37
30. Capital Budgets	6.67	0	10	20	20	30	349.78	14.45	11	75.36
31. Quarterly Results	3.33	6.67	20	33.33	20	33.33	900.9	19.44	13	65.43
32. Minutes of Meetings of Various Committees	0	3.33	13.33	23.33	20	26.67	26.67	14.44	11	75.41
33. Recruitment and Remuneration of Senior Officers	0	0	10	20	20	26.67	26.67	12.78	11	87.94
34. Show Cause/ Prosecution/ Penalty Notice	6.67	16.67	36.67	43.33	43.33	46.67	599.7	32.22	17	51.36
35. Fatal/Serious Accidents	0	0	10	16.67	20	26.67	26.67	12.22	11	89.11

Table-1A (Contd...)

Total Disclosure	Nifty							MEAN	S.D	C. V.
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	% Change			
<i>Voluntary Information Disclosure (Items)</i>										
36. Material Defaults in Financial Obligations	0	0	10	16.67	20	23.33	23.33	11.67	10	86.11
37. Public/Product Liability Claims	0	0	10	16.67	20	26.67	26.67	12.22	11	89.11
38. Details of Joint Ventures/ Collaboration Agreements	20	23.33	33.33	43.33	40	46.67	133.35	34.44	11	31.62
39. Payments Towards Goodwill	0	0	10	16.67	16.67	23.33	23.33	11.11	9.6	86.22
40. Significant Labour Problems	3.33	3.33	16.67	26.67	23.33	33.33	900.9	17.78	12	69.79
41. Sale of Investments (of material nature)	3.33	3.33	13.33	20	20	26.67	700.9	14.44	9.6	66.41
42. Foreign Exchange Details	3.33	3.33	10	16.67	16.67	23.33	600.6	12.22	8.1	66.12
43. Non-Compliance	10	23.33	40	46.67	43.33	46.67	366.7	35	15	42.91
IV. Corporate Governance Matters Appendix I D (Clause 49):										
44. Non-Executive Chairman	13.33	13.33	16.67	20	23.33	23.33	75.02	18.33	4.6	25.04
45. Remuneration Committee	3.33	0	3.33	3.33	3.33	3.33	0	2.78	1.4	48.92
46. Shareholder Rights	3.33	0	0	3.33	3.33	13.33	300.3	3.89	4.9	126.22
47. Audit Qualifications	0	0	0	0	0	3.33	3.33	0.56	1.4	242.85
48. Training of Board Members	0	0	3.33	3.33	0	10	10	2.78	3.9	140.28
49. Mechanism for Evaluating Non-Executive Board Members	0	0	0	0	0	6.67	6.67	1.11	2.7	245.04
50. Whistle Blower Policy	0	0	0	0	3.33	6.67	6.67	1.67	2.8	167.06
V. Other Voluntary Disclosed Corporate Governance Matters:										
51. Code of Business Conduct/Ethics	6.67	6.67	10	16.67	20	30	349.78	15	9.1	60.86
52. Corporate Governance Rating	3.33	3.33	0	3.33	6.67	6.67	100.3	3.89	2.5	64.52
53. Insider Trading	0	6.67	10	16.67	26.67	30	30	15	12	77.93
54. Report of the Audit Committee	3.33	3.33	10	10	10	13.33	300.3	8.33	4.1	48.97

Table-1A (Contd...)

Total Disclosure	Nifty							MEAN	S.D	C. V.
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	% Change			
<i>Voluntary Information Disclosure (Items)</i>										
55. Report of the Remuneration Committee	0	3.33	3.33	3.33	3.33	6.67	6.67	3.33	2.1	63.36
56. Internal Control Systems	30	80	86.67	90	93.33	93.33	211.1	78.89	24	31.00
57. Other Committees	33.33	43.33	40	56.67	60	60	80.02	48.89	11	23.48
58. Academic Qualification of Directors	10	26.67	23.33	26.67	26.67	30	200	23.89	7.1	29.80
59. Profile of Directors	6.67	26.67	20	30	30	33.33	399.7	24.45	9.8	40.12
60. Profile of Directors Seeking Appointment/Re-Appointment	26.67	63.33	70	80	83.33	86.67	224.97	68.33	22	32.47
61. Relationship With Other Directors	16.67	20	20	16.67	20	20	19.98	18.89	1.7	9.10
62. Business Transacted at AGM	3.33	3.33	3.33	0	0	0	-100	1.67	1.8	108.98
63. Information to Debenture Holders	0	3.33	0	0	0	0	0	0.56	1.4	242.85
VI. Other/General Information:										
64. Awards and Recognitions	33.33	40	43.33	53.33	53.33	63.33	90.01	47.78	11	22.79
65. Vision/Mission/Objectives/Programmes	56.67	70	70	76.67	86.67	86.67	52.94	74.45	11	15.41
66. Use of Photographs	83.33	86.67	86.67	83.33	90	90	8	86.67	3	3.43
67. Chairman's Speech/Statement	46.67	50	56.67	63.33	63.33	63.33	35.7	57.22	7.4	12.98
68. Messages and Presentations by Other Managerial Personnel	10	6.67	6.67	6.67	10	10	0	8.34	1.8	21.82
69. Use of Quotations	73.33	73.33	73.33	86.67	83.33	83.33	13.64	78.89	6.2	7.87
70. Industry/Firm Outlook/Problems	70	93.33	100	100	100	100	42.86	93.89	12	12.78
71. Frequently Asked Questions	3.33	3.33	3.33	3.33	3.33	6.67	100.3	3.89	1.4	34.96
72. Environment Report	46.67	53.33	63.33	70	70	73.33	57.12	62.78	11	16.932

Table 1A shows the results of the 'item-wise disclosure analysis' for the sample of large-cap companies for the year 1999-2000 to 2004-2005. The table shows the values in percentage terms, for disclosure of an item by the large-cap companies. The table also shows the percentage change in disclosure of an item in year 2004-2005 over 1999-2000, mean, standard deviation and coefficient of variation. Table 1A reveals that the disclosure has improved in majority of the items, which is shown by the percentage change in year 2004-2005 over 1999-2000. Positive growth is reflected in 62 items. 9 items witnessed no change and 1 item found negative change in percentage terms. Items like brand valuation, financial statements as per US/ other countries' GAAP, risk management, management structure, description of main products, annual operating plan, capital budgets, quarterly results information, show cause notice, details of joint ventures, labour problems, foreign exchange details, code of business conduct, corporate governance rating, audit committee report, academic qualification of directors, frequently asked questions etc, found more than 100 percentage change. Few items like balance sheet (including intangible assets), intangible score sheet assets, remuneration committee etc. found no growth in disclosure. Items like social audit, environment, profit forecasts, current re-sale value of company's assets were not disclosed by any of the large-cap company. One item namely business conducted at AGM found negative disclosure during this period. Mean results also reflected the similar picture. Majority of the items found high mean value. The highest mean value is found in case of the item of Board of Directors, which stands at 100, reflecting that all the 30 companies in the sample of large-cap disclosed this item. The smallest mean is found in case of the item of information to debentureholders, where mean stands at 0.56. Standard deviation measures the variability of a distribution. Standard deviation results show that the variability in item-wise disclosure is different. To check the variability of the items disclosed by the sample companies, standard deviations have been calculated. The highest standard deviation value is found in the item of internal control system, which reflects low degree of uniformity/consistency in its disclosure over a period of time. On the other hand, the lowest standard deviation value is found with items like statement of reconciliation, remuneration committee, audit qualification etc. The results of standard deviation analysis show that the variability of item-wise disclosure is found to be different because standard deviation values are different for majority of items. Coefficient of variation is another related term with standard deviation, measuring relative variability. The results of the analysis of coefficient of variation in Table 1A also show the mixed results. Some items have very high value of coefficient of variation and some have very low. Some items also have moderate values. Some of the items having very high value of coefficient of variation include audit qualification whistle blower policy, information to debentureholders etc. which reflects that disclosure of these items is less uniform and less stable/consistent. Items like previous year figures, charts and graphs, use of photographs etc. have small value of coefficient of variation reflecting that the disclosure of these items is more stable, uniform and consistent. But majority of the items have high values of coefficient of variation, which shows that item-wise disclosure practices of large companies are less consistent or more variable.

Table 1B shows the item-wise disclosure results of the mid-cap companies. All the above discussed statistical tools have also been applied over here.

Table 1B Items-wise Disclosure of Mid-Cap Companies

<i>Total Disclosure</i>	<i>MID-CAP</i>										
<i>Voluntary Information Disclosure (Items)</i>	<i>1999-00</i>	<i>2000-01</i>	<i>2001-02</i>	<i>2002-03</i>	<i>2003-04</i>	<i>2004-05</i>	<i>% Change</i>	<i>MEAN</i>	<i>S.D</i>	<i>C. V.</i>	<i>t-Value</i>
I. Information on Accounting and Finance:											
1.Previous Year Figures	56.67	46.67	70	60	66.67	70	23.52	61.67	9.1	14.8	8.55
2. Ratios	26.67	36.67	40	40	40	40	49.98	37.22	5.3	14.35	8.3
3. Human Resource Accounting	36.67	53.33	76.67	73.33	76.67	76.67	109.08	65.56	17	25.66	-7.73
4. Brand Valuation	0	3.33	0	0	0	0	0	0.56	1.4	242.86	8.62
5. Balance Sheet (Including Intangible Assets)	0	0	0	0	0	0	0	0	0	0	0
6. Inflation Adjusted Financial Statements	0	0	0	0	0	0	0	0	0	0	5.01
7. Economic Value Added Statements (EVA)	6.67	10	13.33	10	13.33	13.33	99.85	11.11	2.7	24.48	6.25
8. Value Reporting	3.33	3.33	6.67	6.67	10	10	200.3	6.67	3	44.68	15.18
9. Intangible Assets Score Sheet	3.33	0	0	0	0	0	-100	0.56	1.4	242.86	4.99
10. Charts and Graphs	73.33	76.67	80	83.33	86.67	86.67	18.19	81.11	5.4	6.71	5.82
11.Social Accounting	16.67	26.67	36.67	43.33	46.67	53.33	219.92	37.22	14	36.46	-2.08
12. Social Audit	0	0	0	0	0	0	0	0	0	0	0
13. Environment Audit	0	0	3.33	0	0	0	0	0.56	1.4	242.86	-1.01
14. Company Highlights	63.33	63.33	66.67	66.67	70	73.33	15.79	67.22	3.9	5.8	9.98
15. Statement of Reconciliation	0	0	0	0	0	0	0	0	0	0	37.03
16. Forecasting	30	43.33	60	53.33	66.67	73.33	144.43	54.44	16	29.15	-6.96
17. Profit Forecasts	0	0	0	0	3.33	3.33	3.33	1.11	1.7	154.95	-1.58

Table-1B (Contd...)

Total Disclosure	MID-CAP							MEAN	S.D	C. V.	t-Value
	Voluntary Information Disclosure (Items)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05				
18. Financial Statements As Per US/ Other Countries' GAAP	6.67	6.67	6.67	10	10	10	49.93	8.34	1.8	21.82	4.6
19. Current Resale Value of Company's Assets	0	0	0	0	0	0	0	0	0	0	0
20. Risk Management	10	23.33	50	66.67	76.67	83.33	733.3	51.67	30	57.38	0.34
II. Information on Human Resources, Marketing and Production:											
21. Management Structure	6.67	16.67	20	16.67	20	20	199.85	16.67	5.2	30.95	4.39
22. Board of Directors	100	100	100	100	100	100	0	100	0	0	0
23. Employees' Relations	23.33	30	46.67	53.33	60	60	157.18	45.56	16	34.22	3.47
24. Description of Main Products Produced	36.67	53.33	50	56.67	56.67	56.67	54.54	51.67	7.8	15.13	0.35
25. Details of Customers	3.33	3.33	3.33	6.67	3.33	3.33	0	3.89	1.4	34.96	2.9
26. New Product /Service/Project	26.67	30	36.67	33.33	40	43.33	62.47	35	6.2	17.8	2.3
27. Plants/Branches /Factory Locations	63.33	70	86.67	90	90	90	42.11	81.67	12	14.55	-4.39
28. Research and Development Information	30	33.33	40	43.33	43.33	43.33	44.43	38.89	5.8	15.02	8.6
III. Corporate Governance Matters Appendix I A (Clause 49):											
29. Annual Operating Plan	0	0	0	3.33	3.33	3.33	3.33	1.67	1.8	108.98	2.96
30. Capital Budgets	0	0	0	3.33	3.33	3.33	3.33	1.67	1.8	108.98	2.84
31. Quarterly Results	0	0	0	3.33	3.33	3.33	3.33	1.67	1.8	108.98	3.39
32. Minutes of Meetings of Various Committees	0	0	0	3.33	3.33	3.33	3.33	1.67	1.8	108.98	2.83

Table-1B (Contd...)

Total Disclosure	MID-CAP											
	Voluntary Information Disclosure (Items)	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	% Change	MEAN	S.D	C. V.	t-Value
33. Recruitment and Remuneration of Senior Officers	0	0	0	0	0	0	0	0	0	0	0	2.79
34. Show Cause/ Prosecution/ Penalty Notice	6.67	26.67	53.33	63.33	63.33	63.33	849.48	46.11	24	52.01		-1.17
35. Fatal/Serious Accidents	0	0	0	0	0	0	0	0	0	0	0	2.75
36. Material Defaults in Financial Obligations	0	0	0	3.33	3.33	3.33	3.33	1.67	1.8	108.98		2.4
37. Public/Product Liability Claims	0	0	0	0	0	0	0	0	0	0	0	2.75
38. Details of Joint Ventures/ Collaboration Agreements	0	0	0	0	0	0	0	0	0	0	0	7.75
39. Payments Towards Goodwill	0	0	0	0	0	0	0	0	0	0	0	2.84
40. Significant Labour Problems	0	0	0	3.33	3.33	3.33	3.33	1.67	1.8	108.98		3.15
41. Sale of Investments (of material nature)	0	0	0	0	0	0	0	0	0	0	0	3.69
42. Foreign Exchange Details	0	0	0	0	0	0	0	0	0	0	0	3.7
43. Non-Compliance	6.67	26.67	60	70	70	70	949.48	50.56	27	53.96		-1.22
IV. Corporate Governance Matters Appendix I D (Clause 49):												
44. Non-Executive Chairman	3.33	0	3.33	3.33	6.67	13.33	300.3	5	4.6	91.8		5.03
45. Remuneration Committee	0	0	3.33	6.67	10	16.67	16.67	6.11	6.5	105.89		-1.23
46. Shareholder Rights	0	0	3.33	6.67	10	16.67	16.67	6.11	6.5	105.89		-0.67
47. Audit Qualifications	0	0	0	0	0	0	0	0	0	0	0	1.01
48. Training of Board Members	0	0	0	0	0	0	0	0	0	0	0	1.75

Table-1B (Contd...)

Total Disclosure	MID-CAP							MEAN	S.D	C. V.	t-Value
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	% Change				
Voluntary Information Disclosure (Items)											
49. Mechanism for Evaluating Non-Executive Board Members	0	0	0	0	0	0	0	0	0	0	1
50. Whistle Blower Policy	0	0	0	0	0	0	0	0	0	0	1.47
V. Other Voluntary Disclosed Corporate Governance Matters:											
51. Code of Business Conduct/Ethics	0	3.33	6.67	6.67	3.33	3.33	3.33	3.89	2.5	64.52	2.87
52. Corporate Governance Rating	0	0	0	0	0	0	0	0	0	0	3.8
53. Insider Trading	0	0	0	3.33	6.67	13.33	13.33	3.89	5.3	137.28	2.12
54. Report of the Audit Committee	0	0	0	0	0	0	0	0	0	0	5
55. Report of the Remuneration Committee	0	0	0	0	0	0	0	0	0	0	3.87
56. Internal Control Systems	6.67	30	86.67	86.67	96.67	96.67	1349.33	67.23	39	57.77	0.62
57. Other Committees	10	30	33.33	33.33	23.33	26.67	166.7	26.11	8.8	33.7	3.86
58. Academic Qualification of Directors	6.67	6.67	6.67	6.67	6.67	6.67	0	6.67	0	0	5.92
59. Profile of Directors	3.33	6.67	6.67	6.67	6.67	6.67	100.3	6.11	1.4	22.26	4.54
60. Profile of Directors Seeking Appointment/Re-Appointment	3.33	20	56.67	63.33	73.33	76.67	2202.4	48.89	30	61.69	1.27
61. Relationship With Other Directors	0	0	3.33	3.33	3.33	3.33	3.33	2.22	1.7	77.48	16.79
62. Business Transacted at AGM	0	3.33	3.33	3.33	3.33	3.33	3.33	2.78	1.4	48.92	-1.2
63. Information to Debentureholders	0	0	0	0	0	0	0	0	0	0	1.01
VI. Other/General Information:											
64. Awards and Recognitions	20	23.33	26.67	40	33.33	33.33	66.65	29.44	7.4	25.24	3.41
65. Vision/Mission/Objectives/Programmes	40	46.67	56.67	60	66.67	63.33	58.33	55.56	10	18.47	3.01

Table-1B (Contd...)

Total Disclosure	MID-CAP							MEAN	S.D	C. V.	t-Value
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	% Change				
Voluntary Information Disclosure (Items)											
66. Use of Photographs	70	80	83.33	83.33	96.67	100	42.86	85.56	11	12.96	0.24
67. Chairman's Speech/Statement	33.33	40	40	40	43.33	43.33	30	40	3.7	9.13	5.1
68. Messages and Presentations by Other Managerial Personnels	6.67	10	13.33	13.33	20	20	199.85	13.89	5.3	38.44	-2.41
69. Use of Quotations	23.33	30	40	50	50	50	114.32	40.56	12	28.67	7.12
70. Industry/Firm Outlook/Problems	43.33	70	100	100	100	100	130.79	85.56	24	27.95	0.76
71. Frequently Asked Questions	3.33	6.67	6.67	6.67	10	10	200.3	7.22	2.5	34.76	-2.86
72. Environment Report	13.33	20	30	33.33	40	40	200.08	29.44	11	36.82	5.38

Table value of t-test = 3.169 at 95% level of significance and 10 degrees of freedom.

The highest percentage change in item-wise disclosure among the sample of mid-cap companies is found in the disclosure of internal control system item. Other items having high percentage change include show cause notice/social accounting, non-compliance etc. More than 100 percentage change is found only in case of 19 items. Negative percentage change is found only in case of one item namely intangible assets score sheet. 25 items did not find any change. As compared to large-cap companies, item-wise disclosure of mid-cap companies is not effective because the portion of non-disclosure of items is high in case of mid-cap companies. Mean results also show that there are wide variations in the average item-wise disclosure by the mid-cap companies. Only in case of 14 items, the mean value is found to be more than 50. A large number of 39 items have low mean value. It shows that the average item-wise disclosure is not encouraging in case of mid-cap companies as compared to large-cap (nifty) companies, where mean results of majority of the items are high. 19 items were not disclosed by any of the company, hence 0 mean is found. A cursory look at the standard deviation results also shows the mixed results. Very high value of standard deviation is found only in case of a very few items. A large number of items found less variability in disclosure. Coefficients of variation values are fairly high as compared to large-cap (nifty) companies. As shown in Table-1B, items like brand valuation, intangible assets score-sheet, environment audit, profit forecast etc., have the highest values of coefficient of variation. To compare the item-wise disclosure in the large- and mid-cap companies, the following null hypothesis has been formulated;

Ho = There is no significant difference in the disclosure of an item in the large- and mid-cap companies.

The null hypothesis has been tested by applying t-test at 5 per cent level of significance at 10 degrees of freedom. The values of t-test have been shown in Table 1B. The table value of t for degree of freedom at 10 and at 5 per cent, level of significance is 3.169. The analysis of t-value, as shown in Table 1B, reflects that value of t is significant in case of 30 items where null hypothesis is rejected. Values of t-test of the remaining 42 items were insignificant, hence the null hypothesis is accepted. Analysis of t-test also produces the varied results. Some of the items where significant difference is found include previous year figures, ratios, value reporting, research and development information, environment report etc. Items having insignificant values of t include social accounting, environment audit, new projects, business transacted at AGM etc. The analysis concludes that the results of both the groups of companies are mixed.

2. Area-wise Disclosure:

Table-2 A and Table-2 B show the area-wise disclosure results of both large- and mid-cap companies respectively. 72 items index of voluntary items has been divided into 6 important areas.

Table 2A Area-wise Disclosure of Large Companies (in percentage)

Area-wise Disclosure	NIFTY											
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Percentage Change (2004-05 over 1999-2000)	Mean	S.D.	C.V.	RANGE	
Areas											Min	Max
Accounting and Finance	24.33	27.67	28.33	30.17	30.5	31.67	30.17	28.78	2.63	9.14	24.33	31.67
Human Resource, Marketing and Production	44.58	51.67	57.5	57.08	58.33	61.25	37.39	55.07	6.01	10.91	44.58	61.25
Corporate Governance Matters Appendix I A	4.22	5.78	16.89	25.11	24.67	31.55	647.63	18.04	11.13	61.7	4.22	31.55
Corporate Governance Matters Appendix 1D	2.86	1.9	3.33	4.28	4.76	9.52	232.87	4.44	2.69	60.59	1.9	9.52
Other Corporate Governance Matters	10.77	22.31	22.82	26.92	29.23	31.54	192.85	23.93	7.38	30.84	10.77	31.54
Other/General Information	47.04	52.96	55.93	60.37	62.22	64.07	36.2	57.1	6.41	11.23	47.04	64.07

Table-2A shows that the area of 'other/general information' is showing the highest disclosure information during all the six years of study from 1999-2000 to 2004-2005 as compared to other areas. 'Corporate governance matters' (Appendix 1D) is the area showing the least disclosure through the period under study. 'Corporate governance matters' (Appendix 1A) has shown the maximum percentage increase and 'other/general information' reflects least percentage change in 2004-2005 as compared to 1999-2000. The area of 'other/general information' shows the highest mean value, whereas the area of 'corporate governance matters' (Appendix 1D) shows the least value of mean. The area of 'corporate governance matters' (Appendix 1A) has the highest value of standard deviation, which shows the high volatility/variation. On the other hand, the area of 'accounting and finance' has less variability. Coefficient of variation produces the same results as has been found in the analysis of standard deviation. Range results have also been calculated. Minimum range result is found in the area of 'corporate governance matters' (Appendix 1D) and maximum range in case of other/general information.

Table 2B Area-wise Disclosure of Mid-Cap Companies (in percentage)

Area-wise Disclosure Areas	Mid-Cap												
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Percentage Change (2004-05 over 1999-2000)	Mean	S.D.	C.V.	RANGE Min Max		t-value
Accounting and Finance	16.67	19.67	25.5	25.67	28.33	29.67	77.98	24.25	5.06	20.87	16.67	29.67	1.94
Human Resource, Marketing and Production	36.25	42.08	47.92	50	51.67	52.08	43.67	46.67	6.27	13.43	36.25	52.08	2.36
Corporate Governance Matters Appendix I A	0.89	3.55	7.55	10.22	10.22	10.22	1048.31	7.11	4.01	56.4	0.89	10.22	2.26
Corporate Governance Matters Appendix ID	0.48	0	1.43	2.38	3.81	6.67	1289.58	24.25	5.06	20.87	0	6.67	1.94
Other Corporate Governance Matters	2.31	7.69	15.64	16.41	17.18	18.21	688.31	12.91	6.41	49.65	2.31	18.21	2.76
Other/General Information	28.15	36.3	44.07	47.41	51.11	51.11	81.56	43.03	9.14	21.24	28.15	51.11	3.08

Table value of t-test = 3.169 at 95% level of significance and 10 degrees of freedom.

Table-2B shows that the area of 'human resource, marketing and production' shows the highest disclosure through the period of the study from 1999-2000 to 2004-2005, maximum range 43.67 per cent and also the highest mean value 46.67 (52.08). Corporate governance matters (Appendix 1D) shows the lowest disclosure throughout the period of study and also the minimum range (0) of disclosure but the highest percentage change in 2004-2005/1999-2000 (1289.58%) but lower percentage change 'corporate governance matters' (Appendix 1A) shows the lowest mean value (7.11) and standard deviation (4.01), reflecting less variability. The highest value of standard deviation is found with 'Other/General Information' (9.14). The highest value of coefficient of variation is found in the area of 'Corporate Governance Matters' (Appendix 1A) (56.4) and the lowest with 'Human Resource, marketing and production' (13.43). The following null hypothesis has been formulated:

H_0 = there is no significant difference in the disclosure of an area in the large- and mid-cap companies.

At 5 percentage level of significance and degree of freedom at 10, the values of t-test, as shown in Table 2B, reflect that difference of area-wise disclosure of large- and mid-cap companies is insignificant.

3. Variation in Disclosure:

Table 3A and Table 3B show the variation in disclosure of large- and mid-cap companies respectively. For this purpose, the selected companies have been rearranged as per their actual percentage disclosure scores as compared to the total disclosure scores of 72 items.

Table 3A - Variation in Disclosure in Large Companies

Percentage Disclosure	Nifty											
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Percentage Change (2004-05 over 1999-2000)	(No. of Companies)			RANGE	
								Mean	S.D.	C.V.	Min	Max
0-10	2	0	0	0	0	0	-100	0.33	0.82	248.48	0	2
10-20	9	4	1	1	0	0	-100	2.5	3.51	140.4	0	9
20-30	14	17	14	8	6	7	-50	11	4.56	41.45	6	17
30-40	3	7	11	15	10	16	433.33	10.33	4.89	47.34	3	16
40-50	2	2	2	2	7	3	50	3	2	66.67	2	7
50-60	0	0	0	2	3	2	2	1.17	1.33	113.68	0	3
60 & above	0	0	2	2	4	2	2	1.67	1.51	90.42	0	4

Table 3B Variation in Disclosure in Mid-Cap Companies

Percentage Disclosure	Mid-Cap												
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Percentage Change (2004-05 over 1999-2000)	(No. of Companies)			RANGE		t-value
								Mean	S.D.	C.V.	Min	Max	
0-10	9	2	0	0	0	0	-100	1.83	3.6	196.72	0	9	-0.99
10-20	16	21	9	7	5	4	-75	10.33	6.74	65.25	4	21	-2.52
20-30	5	7	17	17	16	17	240	13.17	5.6	42.52	5	17	-0.73
30-40	0	0	4	6	8	9	9	4.5	3.89	86.44	0	9	2.28
40-50	0	0	0	0	1	0	0	0.17	0.41	241.18	0	1	3.39
50-60	0	0	0	0	0	0	0	0	0	0	0	0	2.15
60 & above	0	0	0	0	0	0	0	0	0	0	0	0	2.70

Table value of t-test = 3.169 at 95% level of significance and 10 degrees of freedom.

A cursory look at Table 3A reflects that during the period of 1999-2000 to 2004-05, the disclosure practices of large-cap companies have changed rapidly. During the year 1999-2000, a very few companies were disclosing very less information. Upto 50 per cent of disclosure was followed by 28 companies. But none of the companies disclosed more than 50 per cent. During 2004-05 none of the companies disclosed very less and between 20-50 per cent of the items were disclosed by 26 companies. Fairly high disclosure *i.e.* more than 50 per cent was disclosed by 4 companies. But the position of mid-cap companies in this regard is different. Table 3B shows that though there is improvement in the variation of disclosure in mid-cap companies but is very low. During 1999-2000, maximum 30 per cent of disclosure is seen by all the companies. More than 30 per cent of total disclosure was not followed by any of the companies. The situation has improved but by just one step during 2004-05, when the disclosure variation of all the companies stood between 20-40 per cent. None of the companies fell between 0-10 and above 40 per cent. 30-40 per cent disclosure interval saw the highest percentage change of disclosure (433.33) in 2004-05 over 1999-2000, in large-cap companies as shown in Table 3A and 20-30 per cent in case of mid-cap found the highest percentage change in disclosure (240). The lowest percentage change is seen in 0-10 and 10-20 intervals (-100) in large-cap and 0-10 in mid-cap (-100). The highest value of mean is found in 20-30 per cent interval in large-cap (11) and 20-30 in mid-cap (13.17). The lowest mean value comes in the interval of 0-10 for large-cap (0.33) and in 40-50 interval in mid-cap (0.17). Variability in both the groups is also different. The highest standard deviation comes in 30-40 per cent interval in large-cap (4.89) and the lowest in 10-20 interval in mid-cap (6.74). The highest value of coefficient of variation falls in 0-10 interval in large-cap (248.48) and 50-60 intervals in mid-cap (241.18) whereas the lowest in 20-30 in both large-cap (41.45) and mid-cap (42.52) respectively. Maximum range is found in 20-30 per cent interval in case of large-cap (17) and in interval 10-20 in mid-cap (21). The following null hypothesis has been formulated:

$H_0 =$ There is no significant difference in the variation of disclosure in large- and mid-cap companies.

The values of t-test have been calculated in this regard and results have been shown in Table 3B for 10 degrees of freedom and at 5 per cent level of significance. Table 3B shows that value of t is insignificant at all the interval levels except one in the interval of 40-50 per cent, which shows that there is no significant difference in the variation of disclosure in large- and mid-cap companies.

4. Company-wise Disclosure:

The results of company-wise disclosure analysis have been shown in Table 4A and Table 4B for large-cap and mid-cap companies respectively.

Table 4A Company-wise Disclosure of Large Companies

Company-wise Disclosure Company	Nifty						Percentage Change (2004-05 over 1999-2000)	Mean	S.D.	C.V.	Range	
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05					Min	Max
ACC	21	21	27	22	22	23	9.52	22.66	2.25	9.93	21	27
BAJAJ AUTO	20	26	25	24	29	30	50	25.66	3.61	14.08	20	30
BHEL	18	16	17	28	28	30	66.66	22.83	6.46	28.30	16	30
BPCL	18	24	26	28	28	30	66.66	25.66	4.27	16.65	18	30
CIPLA	14	16	20	25	32	34	142.85	23.5	8.28	35.27	14	34
DABUR	22	23	23	24	24	48	118.18	27.33	10.15	37.14	22	48
DR. REDDY'S	34	35	46	49	50	50	47.05	44	7.50	17.06	34	50
GRASIM	18	22	26	38	38	42	133.33	30.66	9.93	32.39	18	42
GUJARAT AMBUJA	14	19	19	21	21	22	57.14	19.33	2.87	14.87	14	22
HERO HONDA	15	18	17	38	39	41	173.33	28	12.49	44.60	15	41
HINDALCO	25	27	28	29	28	29	16	27.66	1.50	5.44	25	29
HLL	15	17	35	35	35	35	133.33	28.66	9.83	34.29	15	35
HPCL	18	29	31	33	30	31	72.22	28.66	5.39	18.80	18	33
INFOSYS	31	34	51	51	52	59	90.32	46.33	11.16	24.09	31	59
IPCL	17	19	19	24	24	26	52.94	21.5	3.61	16.83	17	26
ITC	12	21	26	24	29	33	175	24.16	7.25	30.00	12	33
L&T	14	16	22	22	22	23	64.28	19.83	3.81	19.24	14	23
M&M	15	13	17	18	19	19	26.66	16.83	2.40	14.26	13	19
MTNL	13	19	16	17	17	18	38.46	16.66	2.06	12.39	13	19

Table-4A (Contd...)

Company-wise Disclosure	Nifty												
	Company	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Percentage Change (2004-05 over 1999-2000)	Mean	S.D.	C.V.	Range	
												Min	Max
ONGC	15	19	20	23	22	22	46.66	20.16	2.92	14.51	15	23	
RANBAXY	14	19	23	24	23	24	71.42	21.16	3.97	18.759	14	24	
RELIANCE INDUSTRIES	23	23	22	22	23	42	82.60	25.83	7.93	30.716	22	42	
SATYAM	16	19	22	22	22	22	37.5	20.5	2.50	12.24	16	22	
SAIL	6	10	15	16	23	26	333.33	16	7.56	47.26	6	26	
SUN PHARMA	12	12	13	14	15	15	25	13.5	1.37	10.21	12	15	
TATA CHEM	7	12	15	18	18	19	171.42	14.83	4.62	31.16	7	19	
TATA STEEL	11	19	20	21	24	24	118.18	19.83	4.79	24.16	11	24	
BSNL	17	21	20	18	16	18	5.88	18.33	1.86	10.15	16	21	
WIPRO	13	19	21	25	26	46	253.84	25	11.29	45.18	13	46	
ZEE TELEFILMS	15	17	17	17	17	18	20	16.83	0.98	5.84	15	18	

Table 4B Company-wise Disclosure of Mid-Cap Companies.

Company-wise Disclosure Company	Mid-Cap											
	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Percentage Change (2004-05 over 1999-2000)	Mean	S.D.	C.V.	Range	
											Min	Max
ABAN LOYD CHILES	1	2	11	16	18	19	1800	11.17	7.99	71.51	1	19
ADANI EXPORTS	9	10	13	14	14	17	88.88	12.83	2.92	22.80	9	17
AFTEK INFOSYS	7	7	8	10	12	13	85.71	9.5	2.58	27.24	7	13
AVAYA GLOBAL	8	8	16	16	16	16	100	13.33	4.13	30.98	8	16
BALAJI TELEFILMS	9	21	23	25	31	29	222.22	23	7.79	33.90	9	31
BALRAMPUR CHINI	19	19	21	22	23	25	31.57	21.5	2.34	10.90	19	25
BIRLA CORPORATION	11	11	15	15	15	15	36.36	13.66	2.06	15.11	11	15
EXIDE INDUSTRIES	13	14	13	13	15	15	15.38	13.83	0.98	7.10	13	15
CMC	12	13	16	15	15	15	25	14.33	1.50	10.50	12	16
ELGI EQUIPMENTS	15	17	21	21	22	22	46.66	19.66	2.94	14.96	15	22
GEOMETRIC SOFTWARE	9	9	15	17	17	18	100	14.16	4.11	29.07	9	18
GODFREY PHILIPS	9	11	17	19	20	20	122.22	16	4.81	30.10	9	20
GOODLASS NEROLAC	6	11	17	20	22	22	266.66	16.33	6.53	39.99	6	22
GUJARAT GAS	12	13	15	15	16	16	33.33	14.5	1.64	11.33	12	16
H.E.G	9	11	18	19	23	23	155.55	17.16	5.94	34.64	9	23
HIMATSINGKA SEIDE	16	18	24	23	23	24	50	21.33	3.44	16.14	16	24
J. B. CHEMICALS	9	19	22	24	23	24	166.66	20.16	5.77	28.64	9	24
JUBILANT ORGANOSYS	15	12	19	22	24	26	73.33	19.66	5.39	27.41	12	26

Table-4B (Contd...)

Company-wise Disclosure	Mid-Cap												
	Company	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Percentage Change (2004-05 over 1999-2000)	Mean	S.D.	C.V.	Range	
												Min	Max
K.S.B	6	8	18	18	18	18	200	14.33	5.71	39.87	6	18	
MAHAVIR SPINNING	11	10	14	14	16	16	45.45	13.5	2.50	18.59	10	16	
MAX INDIA	11	11	15	18	18	18	63.63	15.16	3.43	22.61	11	18	
MUNJAL SHOWA	9	14	16	16	17	17	88.88	14.83	3.06	20.63	9	17	
NAGARJUNA FERTILISERS	3	8	13	18	19	20	566.66	13.5	6.83	50.62	3	20	
NAHAR EXPORTS	3	9	10	11	11	11	266.66	9.16	3.12	34.09	3	11	
NAHAR SPINNING	3	10	12	12	12	14	366.66	10.5	3.88	37.00	3	14	
ORCHID CHEMICALS	17	21	22	22	25	26	52.94	22.16	3.18	14.38	17	26	
RAMA NEWSPRINTS	5	8	10	12	13	14	180	10.33	3.38	32.77	5	14	
ONATA SOFTWARE	11	14	17	17	17	18	63.63	15.66	2.65	16.96	11	18	
TORRENT	7	15	18	16	16	17	142.85	14.83	3.97	26.76	7	18	
VISUALSOFT TECHNIQUE	11	11	15	16	15	15	36.36	13.83	2.22	16.11	11	16	

Table 4A shows that disclosure scores of Infosys Ltd. are the highest as compared to all the other companies in the group throughout the period 1999-2000 to 2004-05 and in case of mid-cap companies Balrampur Chinni Mills Ltd. reflects the same picture as shown in Table 4B. SAIL has improved its disclosure during the period of time under study at the highest rate by 333.33 per cent in 2004-05 over 1999-2000 in large and Aban Loyd Chiles Offshores Ltd. by 1800 per cent in mid-cap. The lowest percentage increase is seen in BSNL (5.88) and CMC (25) in large-cap and mid-cap companies respectively. The highest mean and maximum range is shown by Infosys Ltd. and the lowest mean by Sun Pharma in large-cap. High variability is seen in case of Hero Honda Ltd. which has the highest standard deviation of 12.49 and the lowest of 0.98 by Zee Telefilms at 0.98, in large-cap.

Table 4B shows that high variability in disclosure of Aban Loyd Chiles Offshores Ltd. has the highest value of standard deviation and coefficient of variation of 7.99 and 71.51 respectively. The disclosure behaviour of Exide Industries Ltd. has shown more stability having the lowest standard deviation and coefficient of variation standing at 0.98 and 7.10 respectively. Maximum disclosure as shown by the maximum range is seen in case of Balaji Telefilms Ltd. (31) and minimum range with Aban Loyd Chiles Offshores Ltd. (1).

Conclusion

Hence, we have found that there are large differences found in the voluntary disclosure practices being followed by large- and mid-cap companies in India. Variations have also been seen in the item-wise disclosure. Within one group of companies disclosure results for different items differed significantly. On the basis of the study, we can conclude that the voluntary disclosure practices of the selected large- and mid-cap companies differed to a large extent. There should be more emphasis on disclosing voluntary items because voluntary items disclosure opens new insights of the company which is of immense importance for the users of such reports.

Suggestions

On the basis of the results of the study, the following suggestions can be made:

- Voluntary items disclosure should be promoted by the corporate entities at their own,
- Companies should develop ways and means of presentation to disclose voluntary items in a simple and effective manner so that users of these reports should understand them properly,
- Proper and necessary care should be maintained while disclosing voluntary items,
- Government and other legal and statutory bodies should recognize those entities which promote the voluntary disclosure and also to award them appropriately,
- Non-government bodies, such as industry associations, should also come forward to promote voluntary disclosure by developing the codes of conduct to be followed by the corporate entities,

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